

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6473**

**BILL NUMBER:** HB 1350

**DATE PREPARED:** Nov 26, 2001

**BILL AMENDED:**

**SUBJECT:** Appropriation for Clinical Trials.

**FISCAL ANALYST:** Kathy Norris

**PHONE NUMBER:** 234-1360

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

<b>STATE IMPACT</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>State Revenues</b>			
<b>State Expenditures</b>		<b>20,000,000</b>	
<b>Net Increase (Decrease)</b>		<b>(20,000,000)</b>	

**Summary of Legislation:** This bill appropriates \$20 M from the Tobacco Master Settlement Agreement Fund to the Biomedical Technology and Basic Research Account to provide funding for clinical trials to study the use of experimental drugs for the treatment or prevention of human diseases.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** This bill would appropriate \$20 M of Tobacco Settlement funds for FY 2003. The purpose of the Biomedical Technology and Basic Research Account is to support public and private entities engaged in biomedical and basic research initiatives. Project funding from the account is to be prioritized on initiatives that address tobacco related illnesses and that leverage matching funds from federal or private sources.

The bill includes a “notwithstanding” provision that would allow the funds to be appropriated from the trust portion of the Tobacco Master Settlement Agreement Fund that would not be available for expenditure or transfer under the provisions of P.L.21-2000. (P.L.21-2000 established a maximum level of Tobacco Master Settlement Agreement Funds that may be expended, transferred, or distributed in any year.) The maximum available for each state fiscal year is 60% of the amount of money received or to be received by the state during that fiscal year under the Master Settlement Agreement. Appropriations made in the Budget Bill

(P.L.291-2001) have allocated the maximum amount estimated to be available in the non-trust portion for the biennium. As of June 30, 2001, the Trust Fund had a balance of \$123.9 M and interest earnings of \$9.6 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:** P.L.21-2000.